

EXHIBIT 9-I

(SAMPLE) SUB-RECIPIENT AGREEMENT (INTERLOCAL AGREEMENT) For A Project with A Local Non-Profit Organization As Sub-Recipient

Notes:

- Interlocal agreements related to CDBG projects need to be reviewed and approved by MDOC/CDBG.
- Certain clauses are required by HUD regulations (24 CFR 570.503). Copies of the HUD requirements are available upon request from the Department of Commerce, CDBG Program.
- See Exhibit 9-G for an example of an interlocal agreement (sub-recipient agreement) between a local government and a water/sewer district that is a subrecipient of CDBG grant funds.

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This AGREEMENT is entered into on the ____ day of _____, 20____, by and between the (City/County) of Montana, and the (name of non-profit), a private, non-profit corporation incorporated under the laws of Montana.

WITNESSETH THAT

WHEREAS, (Non-profit's name) owns real property in the (City/County of _____) on which it proposes to (...Describe the project...); and

WHEREAS, the (City/County) desires to contract with (name of non-profit) to (... State the purpose of the project); and

WHEREAS, (name of non-profit) agrees to operate and maintain (...Describe the Non-profit's on-going role in the project); and

WHEREAS, the (City/County) has applied for and been awarded Grant #MT-CDBG-____-____ under Montana's Community Development Block Grant (CDBG) program for the (...Describe the project...), to render it suitable for the purposes described above; and

WHEREAS, the parties to this Contract understand that neither party has in any way, abrogated any of its individual powers, and that this Contract does not create any new organization or legal entity.

NOW, THEREFORE, THE (CITY/COUNTY) AND (name of non-profit) MUTUALLY AGREE AS FOLLOWS:

I. Responsibilities Delegated to (name of non-profit)

- A. (name of non-profit) agrees to carry out the responsibilities assigned to it as stated in the project Management Plan, as approved by the Montana Department of Commerce on (Date ____), which incorporated by this reference is made a part of this Contract.

B. Following the completion of the facility, (name of non-profit) will submit annual reports to the (City/County), on a date to be specified by the (City/County), unless later excused by new regulation or agreement. These annual reports will include:

- 1) a copy of (name of non-profit)'s annual IRS 990 tax form,
- 2) a copy of (name of non-profit)'s annual Treasurer's report,
- 3) proof of adequate insurance on the facility.

II. Effective Date of the Contract

This Contract takes effect when the following conditions are satisfied:

- A. The Montana Department of Commerce, and the (City/County) have executed the CDBG Grant Agreement;
- B. The Montana Department of Commerce has approved the (City/County's) "Request for Release of Funds and Certification";
- C. The attorney for the (City/County) and the attorney for (name of non-profit) have approved this Contract as to form and content; and
- D. The (City/County's) Council and (name of non-profit)'s Board of Directors have each reviewed this Contract and agreed fully to its terms and conditions.

III. Administration

- A. For purposes of implementing the joint undertaking established by this Contract, the (City/County's) Council and (name of non-profit)'s Board of Directors agree to form as a committee comprising their total membership. The committee will meet as necessary to provide for the efficient and smooth implementation of this Contract and the activities specified herein.
- B. (name of non-profit) will comply with federal administrative requirements contained in 24 Code of Federal Regulations (CFR), section 570.502, as applicable.
- C. (name of non-profit) will carry out each activity under this Contract in compliance with all federal laws and regulations described in 24 CFR sections 570.600 through 570.612 (sub-part K), except that:
 1. (name of non-profit) does not assume the (City/County's) environmental responsibilities described at 24 CFR section 570.502; and
 2. (name of non-profit) does not assume the (City/County's) responsibility for initiating the review process under the provisions of 24 CFR part 52.

IV. Escrow Agreement

- A. To provide for the impartial, fair and orderly settlement of possible disputes between (name of non-profit) and the (City/County's) arising out of alleged defaults by (name of non-profit) in the operation of the shelter, as provided for by this Contract, the proper fiscal management thereof, and proper maintenance of the facility, including the real property, the improvements thereon and the personal property held and used by (name of non-profit) in the operation of the facility, the parties will, and they do hereby, create and enter into an "Escrow Agreement" to provide the vehicle by which an alleged default will be verified or disproved, cured and rectified if verified and proved to exist, and if

uncured, a vehicle by which the facility, together with all of its real and personal assets shall be transferred to the (City/County) for the future and continued operations for the purposes for which it was originally established or for a new purpose consistent with applicable state and federal laws.

B. The parties agree that _____, or the successor in office of _____, shall act as the Escrow Agent under the terms of this agreement, and the parties hereby do nominate, constitute and appoint _____ as Escrow Agent.

C. The parties agree that concurrently with the execution of this Sub-Recipient Contract, (name of non-profit) will execute, by proper officer or officers, a Quitclaim Deed in the usual form conveying title to the subject real property and all improvements and appurtenances to it, to the (City/County). (name of non-profit) will also execute, by proper office or officers, a Bill of Sale transferring to the (City/County), all personal property used in the operation of the (name of non-profit) facility. (name of non-profit) will deposit the Quitclaim Deed and Bill of Sale, together with a properly executed Realty Transfer Certificate with the Escrow Agent.

D. The parties agree that the Escrow Agent will have no independent or individual authority or discretion as to the disposition or recording of the Quitclaim Deed, realty Transfer Certificate or Bill of Sale, but will hold them as a depository agent only and will act in relation to these documents only in conformity with the document entitled "Escrow Instructions and Agreement" executed by (name of non-profit), the City, and the Escrow Agent at the time of the delivery of the Quitclaim Deed, Realty Transfer Certificate and Bill of Sale to the Escrow Agent.

E. If the (City/County) alleges that (name of non-profit) has defaulted in the performance of any of the terms and conditions of this Contract, or failed to perform its duties under this Contract, and if the default or defaults remain uncured or unrectified for more than 30 days after the (City/County) serves a written notice of the default or failure upon (name of non-profit) either personally or by certified or registered mail, return receipt requested, demanding that the alleged default or failure be cured or rectified, the (City/County) may advise the Escrow Agent by verified notice of the alleged default or failure by (name of non-profit) and of the (City/County's) timely service of the required Notice of Default upon (name of non-profit) and (name of non-profit's) failure to cure or rectify the alleged default of failure. The City/County must serve this verified notice upon the Escrow Agent either personally or by certified or registered mail, return receipt requested. Within five business days of receiving the notice, the Escrow Agent shall cause to be published in the newspaper or newspapers of general circulation in (City/County), Montana, officially authorized to provide legal advertising for the City/County, a Notice of Public hearing to be held before the "hearing committee" which is described and defined below. The Escrow Agent shall publish the Notice of Public Hearing once each week for three consecutive weeks (3 publications) and the public hearing shall be held not fewer than 10 or more than 15 days after the date of the third and final publication of the notice of Public Hearing at the hour of ____ o'clock P.M. in _____, Montana.

F. The "Notice of Public Hearing" must be directed to the citizens of _____, the City/County Council/Commissioners, and (name of non-profit);

must state the date, time, and place of the hearing; and state that at the hearing, the Hearing committee will consider all material and evidence relating to the question of whether the matters alleged by the (City/County) in its 30 day written Notice of Default to (name of non-profit), constitutes "a default or defaults" by (name of non-profit) as the terms "default or defaults" are defined in this Contract, and whether the acts complained of did constitute a default or defaults; if so, whether the said default of defaults were cured or rectified by (name of non-profit) within the time limit set by this Contract and the written Notice of Default given to (name of non-profit) by the (City/County). In addition to publishing the "Notice of Public Hearing," the Escrow Agent shall serve a copy of the notice upon the (City/County) and upon (name of non-profit) either personally or by registered or certified mail, return receipt requested.

G. The "Hearing Committee" referred to above will consist of three members who are residents and citizens of the (City/County of _____), and at least 21 years of age, and none of whom hold public office or are officers or employees of the (City/County) or (name of non-profit). The Hearing Committee may not be a standing committee but must be nominated and established for each specific occurrence requiring its existence and will exist only as long as is necessary for it to complete its duties as described in this agreement. The Hearing Committee shall consist of one member appointed by the (City/County), one member appointed by (name of non-profit), and one member agreed upon and appointed by the first two members. The members of the committee shall appoint one of their number as chairperson. The Hearing Committee shall decide and declare within 20 days from the date of the public hearing held by it, whether (name of non-profit) was in default of this Sub-Recipient Contract as alleged by the City in its Notice of Default. If the Hearing Committee finds that (name of non-profit) was not in default as alleged by the (City/County), it shall so declare in writing and shall serve a verified copy of this declaration upon the (City/County) and (name of non-profit) and the matter shall then be considered closed, and the Hearing Committee shall be dissolved.

H. If the Hearing Committee finds that (name of non-profit) was in default as alleged by the (City/County) and that the default has not been cured or rectified within the time limit set by this Contract, the Hearing Committee shall determine, 1) whether (name of non-profit) can, within a reasonable time, completely and permanently cure the default or defaults and continue the operation of the facility as original intended; 2) whether the Shelter together with all of its real and personal assets, should be transferred to the (City/County) for either, a) the continued operation of the (Project) by the (City/County) for the purposes for which it was originally established, or b) for the continued operation of the (Project) by the (City/County) for such purposes on a limited basis in combination with a new use or uses consistent with applicable state and federal laws; and 3) whether the (Project), together with all of its real and personal assets should be transferred to the (City/County) for a new purpose or purposes consistent with applicable state and federal laws. The Hearing Committee shall declare its decision in writing and serve a verified copy of this declaration upon the (City/County) and upon (name of non-profit). If the decision of the Hearing Committee is that the (Project) and all of its real and personal assets must be transferred to the (City/County), the Hearing Committee shall also serve a copy of its declaration upon the Escrow Agent and shall instruct the Escrow Agent in writing to record in the office of the Clerk and Recorder of (____ County),

Montana, the Quitclaim Deed, Realty Transfer Certificate and Bill of Sale then held in escrow by the Escrow Agent under the terms of this Contract.

- I. Either party may appeal the decision of the Hearing committee to the (_____) Judicial District Court, (City), (County), Montana.

CDBG NOTE: The complete list of Montana District Courts is located at <http://courts.mt.gov/dcourt/default.asp>.

- J. Any one or more of the following acts or omissions by (name of non-profit) constitute a default or defaults under this Contract.

1. (name of non-profit)'s failure, refusal, or inability to operate the (name of non-profit) (Project) for the purposes for which it was originally established.
2. (name of non-profit)'s failure, refusal or inability to meet in a prompt and regular fashion any of its financial obligations.
3. ((name of non-profit)'s failure, refusal or inability to comply with any of the laws or regulations, federal or state, governing the operation of the (name of non-profit) (Project)).
4. (name of non-profit)'s intentional and uncorrected commission of any act of discrimination prohibited by either state or federal law or regulation governing the operation of the (name of non-profit) (Project), including equal employment opportunity hiring practices.
5. (name of non-profit)'s failure, refusal or inability to keep the (Project) and the real property, improvements, personal property and utilities used in conjunction with it properly maintained and in sanitary working order at all times.
6. (name of non-profit)'s failure, refusal or inability to carry all reasonable, proper and necessary casualty and liability insurance on the (Project) and its operation, whether or not required by law.
7. (name of non-profit)'s failure, refusal or inability to keep proper financial records, employ accepted fiscal and accounting practices, and to furnish all financial and operational reports in a timely manner as required by state or federal law or regulation or as may be reasonably requested by the Montana Department of Commerce, Community Development Bureau, the United States Internal Revenue Service, the Montana Department of Revenue, the (City/County), or any other state or federal governmental agency legally entitled to receive such information.
8. (name of non-profit)'s failure, refusal or inability to comply with any of the terms, conditions or requirements of this Sub-Recipient Contract.

V. Indemnification

(Name of non-profit) waives any and all claims and recourse against the (City/County), including the right of contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to (name of non-profit)'s performance of this Contract except claims arising from the concurrent or sole negligence of the (City/County) or its officers, agents, or employees. (name of non-profit) will indemnify, hold harmless, and defend the (City/County) against any and all claims, demands, damages, costs, expenses, or liability arising out of (name of non-profit)'s performance of this Contract except for liability arising out of the concurrent or sole negligence of the City or its officer, agents, or employees.

This contract has been approved by the (City/County's) (City/County - Council/Commissioners) and (name of non-profit)'s Board of Directors.

(City/County of _____)

(Mayor/Commissioner)

Date

ATTEST:

Clerk and Recorder

APPROVED AS TO FORM:

(City/County) Attorney

(name of non-profit),

Chairperson

Date

ATTEST:

Secretary/Treasurer

APPROVED AS TO FORM:

Attorney